

**Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015**

HOUSE BILL NO. 1120
(Industry, Business and Labor Committee)
(At the request of the Department of Corrections and Rehabilitation)

AN ACT to amend and reenact sections 65-06.2-06 and 65-06.2-07 of the North Dakota Century Code, relating to modified workers' compensation coverage for prison industries work programs through roughrider industries.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 65-06.2-06 of the North Dakota Century Code is amended and reenacted as follows:

65-06.2-06. Rulemaking - ~~Excess or reinsurance coverage~~ Participation in state entities account.

The organization, in cooperation with the department of corrections and rehabilitation and the risk management division of the office of management and budget, shall adopt administrative rules and fee schedules for a program of modified workers' compensation coverage established and provided under this section and sections 65-06.2-04, 65-06.2-05, and 65-06.2-08. The administrative rules and fee schedules must provide for the classification of inmates engaged in work in a prison industries work program through roughrider industries, the computation of premium, the payment of claims charges against the classification, the payment of medical bills, ~~excess coverage or reinsurance coverage under the workforce safety and insurance account for state entities under section 65-04-03.1~~, and the reimbursement by roughrider industries to the organization for all claim benefit costs charged against that classification, as well as any allocated loss adjustment expense and all administrative expenses, including the expense of issuing the coverage, for the life of the claim in excess of premiums, ~~coverage under the workforce safety and insurance account for state entities~~, and medical expenses paid by roughrider industries. Roughrider industries shall ~~secure excess coverage or shall reinsure all excess risks through the risk management division~~ contribute to the risk management workers' compensation fund and participate in the workforce safety and insurance account for state entities under section 65-04-03.1 to cover the costs in excess of premiums and medical expenses paid. The organization shall determine and the risk management division shall assess a premium against roughrider industries for the cost of excess or reinsurance coverage under the workforce safety and insurance account for state entities and roughrider industries shall pay that premium.

SECTION 2. AMENDMENT. Section 65-06.2-07 of the North Dakota Century Code is amended and reenacted as follows:

65-06.2-07. State reimbursement for liability in excess of collected premiums.

Whenever total costs and expenses charged to the classification of the modified workers' compensation program established under this chapter exceeds the amount of premiums paid into the fund and any ~~policy limits of the reinsurance or excess coverage purchased under section 65-06.2-06~~ payments from the risk management workers' compensation fund under the workforce safety and insurance state entities account under section 65-04-03.1, those excess costs and expenses are a general obligation of the state and the state shall reimburse the organization for credit to the workforce safety and insurance fund through legislative appropriation to the extent not covered by any program of excess coverage or reinsurance. ~~Roughrider industries shall secure a means of reinsuring excess costs and expenses to minimize exposure of loss to the state general fund. The organization may not provide the additional excess coverage or reinsurance required under this section. This modified workers' compensation coverage may not be effective unless the organization has, in its sole discretion,~~

purchased excess coverage or reinsurance required under this section is in place that does not exclude claims under this section.

Wesley B. Johnston
Speaker of the House

Andrew J. Jensen
President of the Senate

Bull J. Reub
Chief Clerk of the House

Jane Schaefer
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1120.

House Vote: Yeas 85 Nays 0 Absent 9

Senate Vote: Yeas 47 Nays 0 Absent 0

Bull J. Reub
Chief Clerk of the House

Received by the Governor at 10:05 A. on March 17, 2015.

Approved at 2:19 P. M. on March 19, 2015.

Jack Dalrymple
Governor

Filed in this office this 19th day of March, 2015,
at 4:03 o'clock P. M.

David J. Jensen
Secretary of State